

CHAPTER 19.

REFUNDING OUTSTANDING BONDED DEBTS, CITIES UNDER SPECIAL CHARTERS.

AN ACT to authorize cities organized under special charters to refund their outstanding bonded debt and to provide for the payment of the same. H. F. 43.

Be it enacted by the General Assembly of the State of Iowa:

SECTION 1. That all cities in this State having a population of more than 2,000, organized and existing under special charters are hereby authorized and empowered if, by a vote of two thirds of the city council it be deemed for the public interest, to refund the indebtedness of any such city evidenced by the bonds thereof, heretofore issued, and outstanding at the time of the passage of this act and to issue the coupon bonds of such city in denominations of not less than one hundred dollars and not more than one thousand dollars and having not more than twenty years to run, redeemable in lawful money of the United States at maturity and bearing interest payable semi-annually at a rate not exceeding six per cent per annum. The principal of such bonds shall be made payable at the office of the treasurer of the city but the interest upon such bonds may be made payable either in the City of New York, State of New York or the City of Boston, State of Massachusetts, or the City of Chicago, State of Illinois or at the office of the treasurer of the city. Such bonds as well as the coupons, shall be canceled when paid and destroyed in the presence of the city council, which shall cause to be kept a register of all such bonds issued and also of all bonds or coupons which are canceled or destroyed. Such bonds shall be signed by the mayor of the city and attested by its clerk with the seal of the city attached and shall be so signed and attested in open session of the city council and a register shall be then made and kept thereof and such bonds so executed shall be at once delivered to the city treasurer of the city who shall be liable on his official bond for the safe keeping thereof and the proceeds thereof until he parts therewith under the direction of the city council.

How they may refund.

Cities where interest may be paid.

Cancellation of paid bonds.

SEC. 2. The bonds issued under this act shall be substantially in the following form: Form of bond.

"No.
 The city of in the State of Iowa for value received promises to pay..... or..... order at the office of the treasurer of in .. on the first day of the sum of.....

.....dollars, with interest thereon from date until paid at the rate ofper cent per annum payable semi-annually at the.....in the city of.....State ofon the first days of in each year on presentation and surrender of the interest coupons hereto attached.

This bond is issued by the city council of said city under and in accordance with the provisions of chapterof the session laws of the Twenty-Second General Assembly of the State of Iowa and in conformity with a resolution of said city council datedday of.....18....

In testimony whereof the said city council of the city ofhas caused this bond to be signed by the mayor of said city and attested by its city clerk with the seal of said city attached thereto, this.....day of.....18....

And the interest coupons on each bond shall be in substantially the following form:

"The city of.....in the State of Iowa, will pay to the holder hereof on the.....day of.....18....at the.....in the city of.....in the State of.....dollars for interest on.....bond No.....issued under the provisions of chapter.....of the session laws of the Twenty-Second General Assembly of the State of Iowa" and such coupons shall be signed by the city clerk or recorder.

Bonds, how sold.

SEC. 3. The city council of any such city is hereby authorized to sell and dispose of the bonds issued under this act at not less than their par value and to apply the proceeds thereof to the redemption of the out standing bonded debt or may exchange such bonds for out standing bonds par for par, but the bonds hereby authorized shall be issued for no other purpose whatever, provided, however, that the city council of such city may if deemed advisable, appropriate not to exceed two per centum of the bonds herein authorized to pay the expenses of preparing, issuing, advertising and disposing of the same and may employ a financial agent therefor.

Expenses, how paid.

SEC. 4. The city council of any such city shall cause to be assessed and levied each year upon the taxable property of such city in addition to the levy authorized for other purposes a sufficient sum to pay the interest on all outstanding bonds issued in conformity with this act accruing before the next annual levy and also such proportion of the principal as shall fall due before such next annual levy and such city council may at its option in addition to the levy hereinbefore authorized levy an amount not exceeding two mills on the dollar of the assessed valuation of such city in any one year for the purpose of purchasing and canceling any of its bonds issued under this act before the maturity of the same. And the money arising from such levies shall be known as the bond fund and shall be used for the payment of the bonds and interest coupons and for the purchase and canceling of the bonds and for no other purpose

Tax for interest.

Additional levy not exceeding 10 mills.

whatever. And the treasurer of such city shall open and keep in his book a separate and special account thereof which shall at all times show the actual condition of such bond fund. Bond fund and its use.

Sec. 5. The city council of any such city shall have power to purchase any of the bonds issued under this act before the maturity of the same and to this purpose may at its option appropriate any moneys in the bond fund not required to pay bonds or interest coupons maturing before the next annual levy, provided that in the purchase of such bonds there shall be paid in no case a premium to exceed five per centum of the face value of the bond above the amount actually due thereon. Bonds purchased before maturity.

Sec. 6. If the city council of any such city which has issued bonds under the provisions of this act shall fail to make the levy necessary to pay such bonds or interest coupons at maturity and the same shall have been presented to the treasurer of any such city and payment thereof refused the owner may file the bond together with the unpaid coupons with the Auditor of State taking his receipt therefor and the same shall be registered in the Auditors office and the Executive Council shall at their next session as a board of equalization and at each annual equalization thereafter add to the state tax to be levied in such city a sufficient rate to realize the amount of principal or interest past due and to become due prior to the next levy and the same shall be levied and collected as a part of the state tax and paid into the state treasury and passed to the credit of such city as bond tax and shall be paid by warrant as the payments mature to the holder of such obligation as shown by the register in the office of the State Auditor until the same shall be fully satisfied and discharged provided that nothing herein shall be construed to limit or postpone the right of the holder of any such bonds to resort to any other remedy which such holder might otherwise have. Unpaid bonds or coupons filed with State Auditor. When and how paid.

Sec. 7. Nothing in this act shall take away, impair or interfere with the powers conferred by chapter 58 of the session laws of the Seventeenth General Assembly of the State of Iowa entitled "An act to authorize counties, cities and towns to refund outstanding bonded debt at a lower rate of interest and to provide for the payment of the same" as amended by chapter 140 of the session laws of the Eighteenth General Assembly of the State of Iowa, making the same applicable to cities organized under special charters. Chap. 58, acts 17th G. A., not impaired.

Sec. 8. This act being deemed of immediate importance shall take effect from and after its publication in the Iowa State Register and the Des Moines Leader newspapers published in Des Moines Iowa. Publication.

Approved March 10, 1888.

I hereby certify that the foregoing was published in the Iowa State Register, and Des Moines Leader, March 18, 1888.

FRANK D. JACKSON, Secretary of State.